

Fiscal Note

Fiscal Services Division



HF 469 – Educational Examiners Board, Licensure Fee Retention (LSB2132HV)
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Fiscal Note Version – New

Description

House File 469 limits to \$500,000 the amount of annual licensure fee revenue the Board of Educational Examiners may carry forward to the following fiscal year.

Background

Until FY 2007, the Board's operational expenses were funded by an annual appropriation, and all fee revenue was deposited in the General Fund. In FY 2007, under legislation enacted in 2006, the Board's operations became completely fee-supported. The legislation required the Board to deposit 25.0% of fee revenue in the General Fund and permitted unlimited carryforward of any unexpended remaining revenue (Section 272.10, Code of Iowa). Section 272.2(2), Code of Iowa, grants the Board of Educational Examiners sole authority to establish licensure fees.

The Board provides revenue and expenditure projections annually in a report filed with the General Assembly. For the past few years, the Board has based its annual revenue projection on 23,590 licenses issued, a static five-year average of the number of licenses issued in FY 2001 through FY 2005. The actual number of licenses issued in FY 2007 and FY 2008 was 26,747 and 27,344, respectively, resulting in annual revenue significantly exceeding projections. The use of a rolling five-year average in the future would be likely to reduce the gap between projected and actual revenues.

Because of greater-than-anticipated fee revenue, the Board had an FY 2008 ending balance of \$999,000. House File 2679, enacted in 2008, required the Board to transfer \$300,000 of the FY 2008 ending balance to the Department of Education for other purposes.

For FY 2009, fee revenue is again ahead of the original projection, and the Board recently increased its projections for FY 2009 through FY 2011 as a result. The current projection indicates an FY 2009 ending balance of \$854,000.

Assumptions

The following table shows the Board's actual revenue and expenditures for FY 2007 and FY 2008 and the most recent projections for FY 2009 through FY 2011.

Board of Educational Examiners
Revenue and Expenditures - FY 2007 through FY 2009

	<u>FY 2007</u>	<u>FY 2008</u>	<u>Projected FY 2009*</u>	<u>Projected FY 2010*</u>	<u>Projected FY 2011*</u>
Beginning Balance	\$ 186,971	\$ 751,218	\$ 699,099	\$ 500,000	\$ 442,209
Revenues					
Licensure Fees	2,095,686	2,185,116	2,200,000	2,090,000	2,090,000
Background Check Fees	308,963	278,178	275,000	275,000	275,000
Total Resources	<u>2,591,620</u>	<u>3,214,512</u>	<u>3,174,099</u>	<u>2,865,000</u>	<u>2,807,209</u>
Expenditures					
General Expenditures	1,317,983	1,671,448	1,770,516	1,900,291	2,007,681
Fees to General Fund	522,420	543,965	550,000	522,500	522,500
Reversion/transfer*		300,000	353,583	0	0
Total Expenditures	<u>1,840,402</u>	<u>2,515,412</u>	<u>2,674,099</u>	<u>2,422,791</u>	<u>2,530,181</u>
Balance Carried Forward	\$ 751,218	\$ 699,099	\$ 500,000	\$ 442,209	\$ 277,028

Totals may not sum due to rounding.

* From Exhibit 6 of the Board's annual financial report as revised February 2009.

♦ FY 2008 - transfer to Dept. of Education per HF 2679; FY 2009 - projected reversion if HSB 159 is enacted.

Fiscal Impact

The estimated impact of HF 469 to the General Fund is an increase in revenue of \$354,000 for FY 2010.

Sources

Board of Educational Examiners

/s/ Holly M. Lyons

March 5, 2009

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the correctional and minority impact statements were prepared pursuant to [Section 2.56, Code of Iowa](#). Data used in developing this fiscal note, including correctional and minority impact information, is available from the Fiscal Services Division of the Legislative Services Agency upon request.